

Certified Mail 7000 1530 006 2261 6247 Return Receipt Requested

August 14, 2002

Bonnie L. Pollack, Frederick E. Schmidt, & Joshua J. Angel Angel & Frankel, P.C. 460 Park Avenue
New York, New York 10022

Re: Cedar Chemical Corporation, 49 Phillips Road 311, Helena, Arkansas 72342 EPA ID No. ARD990660649

Dear Ms. Pollack, Mr. Schmidt, & Mr. Angel:

On June 4, 2002, the Arkansas Department of Environmental Quality (ADEQ) conducted a Compliance Evaluation Inspection (CEI) at the Cedar Chemical Corporation facility located in Helena, Arkansas, pursuant to the authorities of the Arkansas Hazardous Waste Management Act (Act 406 of 1979, as amended) and Arkansas Pollution Control and Ecology Commission (APC&EC) Regulation No. 23. As a result of the Inspection, ADEQ alleges that the Cedar Chemical Corporation facility located in Helena, Arkansas is not in compliance with applicable rules, regulations, and requirements for hazardous waste management. The instances of alleged significant noncompliance are identified in a CEI report sent to the facility on July 10, 2002, and are enclosed for your reference. This CEI report was referred to the Enforcement Section of the Technical and Administrative Support Branch for formal enforcement consideration on July 12, 2002.

It is the policy of ADEQ to seek compliance with the laws and regulations administered by it through cooperative efforts and to afford suspected violators a reasonable opportunity to resolve violations through informal procedures prior to the initiation of administrative enforcement proceedings, unless the circumstances warrant otherwise. In keeping with this policy, ADEQ would like to extend an offer of settlement. The actions outlined in this letter, if taken, will resolve all outstanding alleged significant compliance deficiencies.

ADEQ alleges that Cedar Chemical Corporation violated APC&EC Regulation No. 23, Section 262.34(a) by accumulating hazardous waste onsite for a period greater than 90 days. Cedar Chemical Corporation shall ensure all hazardous wastes generated at the facility are transported offsite within 90 days of the accumulation start date and shall immediately send the following hazardous wastes observed during the June 4, 2002, CEI to a permitted treatment, storage, or disposal facility (TSDF):

- Four drums containing sodium methoxide from a spill on December 27, 2001
- b. Four drums of Cycloanilide process waste dated January 3, 2002

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Ms. Pollack, Mr. Schmidt, & Mr. Angel August 14, 2002 Page 2

- c. Three 3,000 pound bags of xylene and methanol contaminated dirt dated January 9, 2002
- d. Four 55-gallon drums of knockout pot waste, two of which were dated February 12, 2002
- e. Twelve 55-gallon drums of Propanil 3

Within 30 days of receipt of this letter, Cedar Chemical Corporation shall submit manifests to ADEQ verifying shipment offsite of the wastes listed above by a permitted transporter and to a permitted TSDF.

ADEQ also alleges that Cedar Chemical Corporation violated APC&EC Regulation No. 23, Section 262.24(e) by assigning hazardous waste to an unpermitted transporter when Vickery Transportation picked up a tank truck load of sulfuric and nitric acid on May 21, 2002. Cedar Chemical Corporation shall ensure all transporters utilized by Cedar Chemical Corporation to transport hazardous waste in Arkansas are properly permitted with the Arkansas Highway Police.

ADEQ requests that Cedar Chemical Corporation respond within thirty (30) calendar days of the date Cedar Chemical Corporation receives this letter. In the event ADEQ does not receive any response from Cedar Chemical Corporation within the next thirty (30) calendar days, ADEQ may exercise its option to escalate its enforcement actions through the bankruptcy court or by other means for the alleged violations cited in the CEI report.

Cedar Chemical Corporation is urged to take immediate measures to correct and resolve any identified instances of noncompliance. If you have any questions regarding this matter, please contact me at (501)683-0069.

Sincerely,

Melanie Foster

Enforcement Section Manager

Enclosures: June 10, 2002, letter and CEI report

cc: Allen T. Malone, Burch, Porter & Johnson, 130 North Court Avenue, Memphis, Tennessee 38103

Tammie Hynum, Manager, TASB, HWD

Mike Bates, Chief, HWD

Joe Hoover, Manager, ASB, HWD

Penny Wilson, Inspector Supervisor, ASB, HWD

Les Branscum, Inspector, ASB, HWD

Dan Etzkorn, Attorney, Legal Division

Central Files, ADEQ

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